

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF GRAYSON)	CASE NO. 8068
RURAL ELECTRIC COOPERATIVE CORPORATION)	
PURSUANT TO 807 KAR 5:056E, SECTIONS)	
1(11) AND (12))	

O R D E R

Pursuant to 807 KAR 5:056E, Sections 1(11) and (12), and following proper notice, a hearing was held on January 29, 1981, to review the operation of the standard fuel adjustment clause to determine the amount of fuel cost that should be transferred to the base rates of the utility and to re-establish the fuel adjustment charge.

The Commission in Case No. 8055 has approved a request by the Applicant's wholesale supplier, East Kentucky Power Cooperative, Inc. (EKP), to transfer (roll-in), to the base rates charged the Applicant, fuel cost in the amount of .105¢ per KWH. Granting EKP's request requires that the Applicant be authorized to transfer these fuel costs to its base rates.

As a part of this review the Commission has analyzed monthly filings made by the Applicant in conjunction with the schedule of over- or under-recoveries of fuel cost filed in this proceeding. The Commission's review indicates the monthly report should be revised in order to obtain a more accurate measure of under- or over-recovery of fuel cost shown in that report.

The Commission after review FINDS:

(1) That the Company's wholesale supplier, EKP, has been authorized to transfer to its base rates in Case No. 8055 fuel cost of .105¢ per KWH.

(2) That an amount of .115¢ per KWH should be added to the rates charged customers in order to transfer, to Applicant's base rates, fuel cost transferred by EKP from the fuel adjustment clause rate to the base rates pursuant to Commission Order in Case No. 8055.

(3) That the revised rates and charges set out in Appendix "A" of this Order are designed only to reflect the transfer to base rates of fuel cost which is currently being recovered in the fuel adjustment clause rate.

(4) That the transfer of fuel costs to the Applicant's base rates will not result in any additional net margin to the Applicant.

(5) That this transfer of fuel cost is most reasonably and practically accomplished by an energy adder to each KWH sold.

(6) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that Grayson Rural Electric Cooperative Corporation is hereby authorized to transfer to base rates fuel cost transferred by its wholesale supplier, EKP, in Case No. 8055.

IT IS FURTHER ORDERED, that the rates set out in Appendix "A" shall be placed into effect for service rendered on and after April 1, 1981, which is the same effective date approved for EKP.

IT IS FURTHER ORDERED, that the Applicant shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

IT IS FURTHER ORDERED, that the revised monthly report, Appendix "B" to this Order, be used by the Applicant for all filings made after the date of this Order under 807 KAR 5:056E to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 13th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katharine Randall
Vice Chairman

Don Harman
Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 8068 DATED MARCH 13, 1981 .

The following rates and charges are prescribed for the customers in the area served by Grayson Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE 1*
DOMESTIC-FARM & HOME SERVICE, PUBLIC BUILDINGS,
SCHOOLS, CHURCHES, ETC.
COMMERCIAL & SMALL POWER 0 - 49 KVA

Rates:

Customer Charge Per Month	\$6.89
Energy Charge	.04812 Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$6.89 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity the minimum monthly charge shall be increased at the rate of 75¢ for each additional KVA or fraction thereof required. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities, where the minimum charge is increased in accordance with the terms of this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

SCHEDULE 4
LARGE POWER SERVICE 50 - 600 KW*

Rates:

Demand Charge

\$4.02 Per Month per KW of Billing Demand

Customer Charge Per Month	\$52.83
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Energy Charge	.04032 Per KWH
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Minimum Charge:

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question.

- 1) The minimum monthly charge specified in the contract service.
- 2) A charge of \$0.75 per KVA of required transformer capacity.
- 3) A charge of \$52.83.

Minimum Annual Charge For Seasonal Service:

Consumers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual charge; in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per KVA of installed transformer capacity, or \$633.96, whichever is greater.

SCHEDULE 5
STREET LIGHTING SERVICE*

Base Rate Per Light Per Year:

For dusk to dawn lighting with lights mounted on existing wooden poles with bracket attachments and connected to existing overhead secondary circuits. The Cooperative shall furnish and install wooden pole and secondary extension if required for street lights, within 200 feet of the existing secondary circuits.

For the following monthly charges the Cooperative will furnish, install and maintain the lighting fixtures and accessories including pole, hardware, control, lamps, overhead wiring, etc.; and the energy required.

<u>Lamp Size</u>	<u>Mercury Vapor Lamps</u>	<u>Annual Charge per Lamp</u>
175 Watt	\$5.20 Per Month	\$62.40

SCHEDULE 6
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

Rate Per Light Per Month:

175 Watt Mercury Vapor Lamp	\$ 5.20
250 Watt Mercury Vapor Lamp	6.91

SCHEDULE 7
ALL ELECTRIC SCHOOLS (A.E.S.)*

Rates:

All KWH	\$.05372
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Minimum Charge:

The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the consumer, and in no event shall it be less than \$9.00 per KVA or required transformer capacity as determined by the Cooperative, or the amount specified in the contract, whichever is greater.

SCHEDULE 8
SEASONAL SERVICES - SERVICES ACTIVE LESS THAN NINE (9)
MONTHS OUT OF A YEAR

Rates:

Customer Charge Per Month	\$ 8.45
Energy Charge	.06182 Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$8.45 where 25 KVA or less of transformer capacity is required. For members requiring more than 25 KVA of transformer capacity the minimum monthly charge shall be increased at the rate of 75¢ for each additional KVA or fraction thereof required.

*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056E.

COMPANY _____

POWER SUPPLIER _____

Purchased Power - Month of: _____

Disposition of Energy (KWH) -Month of: _____

Fuel Adjustment Charge (Credit): _____

a. Billed by Supplier \$ _____

b. (Over) Under Recovery on L20 _____

c. Unrecoverable - Schedule 1 _____

d. Recoverable Fuel Cost (L1a
+ L1b minus 1c) _____

2. Number of KWH Purchased _____

3. Supplier's FAC: _____

a. \$ Per KWH (L1a ÷ L2) _____

b. ¢ Per KWH (L3a x 100) _____

4. Sales as a Percent of Purchases
(100% less percentage on L6) _____

5. Calculation of Distributor's FAC:
a. Recovery Rate \$ Per KWH
(L1d ÷ L2) _____

b. FAC \$ Per KWH (L5a ÷ L4) _____

c. ¢ Per KWH (L5b x 100) _____

Line Loss _____

6. Twelve Months Average (%) _____

7. Last Month Used to Compute L6 _____

8. Line Loss for Month on L7 (%) _____

5c above reflects a Fuel Adjustment Charge (Credit) of _____ ¢/KWH to be applied to bills rendered on and after _____, 19____. Date of Issue _____, 19____. Issued by _____

9. Total Purchases for the Month: _____

10. Sales (Ultimate Consumer) _____

11. Company Use _____

12. Total Sales (L9 + L10) _____

13. Line loss and Unaccounted For
(L9 Less L12) _____

Under or (Over) Recovery _____

14. Last Distributor FAC Rate Billed
to All Cycles _____

15. Gross KWH Billed at the Rate on L14 _____

16. Adjustments to Customer Bills (KWH) _____

17. Net KWH Billed at the Rate on L14
(L15 Less L16) _____

18. FAC Revenue (Refund) Resulting
From the Rate on L14 _____

19. Fuel Charge (Credit) Used to
Compute the Rate on L14 _____

20. Total (Over) Under Recovery
(L18 Less L19) _____

Title _____

Address _____

Telephone Number _____

CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

- | | |
|--|-------------------|
| 1. Purchases For the Month (KWH) | |
| 2. Less Line Loss (10% X L1) | _____ |
| 3. Sales (L1 less L2) | |
| 4. Unrecoverable Fuel Charge Per KWH: | |
| a. FAC Rate based on Actual Line Loss
(Current Month's Report L3a ÷ (100% Less L6)) | \$ _____ |
| b. FAC Rate based on 10% Line Loss
(Current Month's Report L3a ÷ 90%) | _____ |
| c. Increment unrecoverable | \$ _____ |
| 5. Unrecoverable Fuel Cost -L4c X L3 carry to Line
1b of current month's report) | \$ _____
_____ |

Note: This schedule is to be filed for each month that the 12 month average Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.